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This Notice Expires 1 February 1968

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19 December 1967

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POSTAL REVENUE AND FEDERAL SALARY ACT OF 1967

1. On 16 December 1967 the President signed into law the Postal Revenue and Federal Salary Act of 1967 which provides salary increases for employees who are compensated under the provisions of the Classification Act of 1949, as amended. The act also increases the Group Life Insurance (FGLI) coverage of all personnel covered by this insurance and establishes a new optional insurance program for insured employees who wish to purchase additional protection with their own funds. In keeping with established policy the provisions of this act are being applied to Agency employees in a duty status on or after 16 December 1967.
2. The salary increase amounts to approximately 4.5 percent of base pay and is retroactive to the pay period which commenced on 8 October 1967. The act also provides for two additional salary increases designed to achieve comparability with rates of pay in private enterprise. The first additional increase is scheduled to be effective 14 July 1968 and will be equal to 1/2 the amount by which private enterprise rates exceed Government rates as determined on the basis of the 1967 annual survey conducted by the Bureau of Labor Statistics in accordance with the Federal Salary Reform Act of 1962, or by 3 percent, whichever is greater. The second additional increase is scheduled to be effective 13 July 1969 and will achieve comparability with rates of pay in private enterprise based upon the 1968 annual survey by the Bureau of Labor Statistics. The maximum rate of pay would be \$28,000 unless the rate of pay for level V of the Executive Salary Schedule has been increased beyond that point by July 1969.
3. Employees paid on a biweekly basis will receive the full benefit of the increased rates of compensation for the pay period 3 through 16 December in the salary checks due on 29 December. These checks will also include the additional salary due for the period 8 October through 2 December 1967, including adjustments for overtime, night differential, holiday pay, and Sunday pay, as applicable, based on the increase in the basic pay rate. In addition to the usual earnings statement for all salary received on 29 December, a separate earnings statement will be issued for the retroactive portion of pay included in the same salary check.
4. The computation of the payroll for the four-week pay period 19 November through 16 December 1967 scheduled for deposit to bank allottees on 27 December 1967 has been substantially completed, and time and facilities do not permit recomputation to include increased

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salary entitlements. For this reason, employees paid every four weeks will receive the full benefit of the increased rates of compensation in salary checks mailed for deposit to designated bank allottees on 24 January 1968 applicable to the pay period 17 December 1967 through 13 January 1968. This salary deposit will represent the amount due for that pay period plus additional salary due for the period 8 October through 16 December 1967 and will also include adjustments as applicable to overtime, night differential, holiday pay, and Sunday pay based on the revised basic rates of pay.

5. The act increases the amount of Federal Employee Group Life Insurance (FEGLI) coverage for employees now insured by providing the larger of a \$10,000 minimum policy or a policy in the amount of the employee's annual salary rounded to the next \$1,000 plus \$2,000. This increased coverage becomes effective on 25 February 1968. Those insured employees who die or retire between the date of enactment and the effective date are covered by the increased amount without payment of additional premiums. The act authorizes the Civil Service Commission to adjust premium rates for such insurance from time-to-time consistent with actuarial experience, preserving the present 2-to-1 cost sharing ratio. It is anticipated that the employee biweekly contribution will rise from the present 25¢ to 27½¢ per \$1,000 coverage effective with the pay period beginning 25 February 1968. The act also includes a new provision which authorizes the Civil Service Commission to make available to insured employees for purchase at their option and at their own expense additional life insurance not to exceed \$10,000. Details concerning employee cost and procedures for applying for the additional insurance will be announced when the necessary information is received from the Civil Service Commission.

6. Questions concerning the application of specific benefits of this law to individual circumstances should be directed to administrative or support officers.

7. The applicability of new salary rates to contract employees will be the subject of a subsequent notice.

FOR THE DIRECTOR OF CENTRAL INTELLIGENCE:

R. L. BANNERMAN
Deputy Director
for Support

DISTRIBUTION: ALL EMPLOYEES